

fourth quarter than it would have been without the Recovery Act.

So there are some encouraging signs.

But we still face major challenges in the economy. There is still work to do creating jobs.

The unemployment rate stands at 9.7 percent. Almost a tenth of the labor force is unemployed. More than 15 million Americans are out of work.

First-time claims for unemployment benefits rose the week before last. Businesses are still laying off workers. And companies remain tentative in hiring new employees.

The economists call unemployment "a lagging indicator." Employers can be slow to rehire, when business begins to pick up.

The Congressional Budget Office expects the unemployment rate to remain above 8 percent until 2012. CBO does not expect unemployment to reach what they call its "natural state" of 5 percent until 2016.

CBO does not expect that the gap between actual output and potential output will close until the end of 2014.

That is why we need to pass a temporary extension of unemployment benefits.

Jobless benefits are a powerful way to bolster demand during times of high unemployment.

Households receiving unemployment benefits spend their additional benefits right away. That spurs demand for goods and services. That boosts production. And that leads businesses to hire more employees.

The Congressional Budget Office looked at the different ways that we can help the economy to grow, and CBO says that extending additional unemployment benefits would have one of the largest effects on economic output and employment per dollar spent.

Because benefits are often spent quickly, extending unemployment benefits will provide a timely boost to the economy.

A temporary extension will also provide immediate assistance to millions of Americans struggling to feed their families and pay the bills.

According to officials in my home State of Montana, if we do not pass this extension, then thousands of Montanans could lose their unemployment benefits and will have significant difficulties. That is a significant number when you consider the population of my State.

An extension of unemployment benefits is essential, but it is not enough. We must also consider unemployment insurance reforms that could help to create more jobs.

That is why I plan to hold a hearing in the Finance Committee on Wednesday to explore ways to use unemployment insurance to help Americans to get back to work.

States and experts have ideas for how we can improve the unemployment insurance system. They have ideas about how it can save and create more jobs.

Wednesday, the Finance Committee will discuss possible commonsense in-

novations with a panel of experts, while also addressing the challenge of State solvency.

But right now, it is essential that we pass a temporary extension of unemployment benefits. An extension will help workers to get by as they search or retrain for a new job. And an extension will also provide a much-needed boost to the economy.

So, let us help the families who are struggling in this difficult economic time. Let us help to spur demand and economic growth. Let us vote to invoke cloture on this vital legislation.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, we are going to have a cloture vote this evening at 5:30. It is about a subject that is very important. Yet I have been listening to the floor today and hearing the discussion about saving our country, about the issue of large Federal budget deficits, and the things that threaten our country's future.

I wanted to talk a little bit about some of those issues because I have been reading a book recently, quite an interesting book, called "Too Big to Fail." I was listening this afternoon to some of the debate and thinking about too big to fail and too small to matter.

Interesting dichotomy: Too big to fail is talking about the biggest institutions in this country, the largest financial institutions in America, are too big to fail. So they run themselves into serious trouble. They get the benefit of no-fault capitalism. We are told if they fail, it will be a disaster for America's economy; therefore, we will have the taxpayers pony up \$700 billion to make sure they do not fail. I am talking about the people at the top.

The question is, What about the people at the bottom, the people who work for a living, who like their jobs, want to have a better future for themselves and their children, but who discovered that as we sailed into this economic storm, while the people at the top got a big old parachute and they were lifted gently to the ground or allowed to get gently grounded, the folks at the bottom were just pushed off a cliff.

We ran into this serious economic trouble, and a whole lot of people lost their jobs. We have had millions and millions of people lose their jobs. We estimate somewhere around 17 million Americans woke up this morning without a job. They went looking today, as they do every day, but they have not found a job. They, their spouse, their children, they are all victims of this economy.

So then the question is, the difference between too big to fail—those

institutions, by the way, which for some of our colleagues, they could not be quick enough to get the pillow and the aspirin to say: Can we help you to bed? Is there any way we can be of help? Here is \$700 billion on the too-big-to-fail side. But on the too-small-to-matter side—it is the person who lost their job—we had folks in here saying: You are just out of luck. We do not have the ability or willingness to deal with you.

I taught a little economics a couple of years in college. We always understood the basic lessons on economics are simple enough when you run into a very severe recession or depression. But let's talk about recession, a deep recession, and in this case the deepest since the Great Depression. The government's revenues dried up; we have lost somewhere around \$400 billion a year in revenue. The economic stabilizers that are required in a recession would be unemployment insurance, food stamps, and those kinds of things to try to help people out, help them through some difficult periods. I am talking now about helping people at the bottom of the economic ladder. Those things automatically go up.

So the revenue goes down, that goes up, and your deficit balloons. There is no question about that. Everybody understands that. I understand why the deficit has gone out of sight. I also understand it is a very serious problem for our country. But I think we should all understand we should not do the things that would move us right back into a recession. The economic stabilizers and the expenditures on them is very important in order to get us out of this problem and in order to help those at the bottom of the economic ladder who cannot help themselves.

What bothers me is we have people coming to the floor of the Senate saying: I am the champion to try to reduce the Federal budget deficit. I am the person who is going to solve this.

Well, I would say to those folks: Where were you? Where have you been? It has been a decade and you were not around. I recall nearly 10 years ago when President Bush came into office, and he said: We have a budget surplus. Yes, they did. The first budget surplus in three decades under the last year of President Clinton's Presidency, a budget surplus at the Federal level, the first one. By the way, that resulted from a series of fiscal policy judgments that were made beginning in 1993. I voted for it. It passed by one vote in the Senate. It passed by one vote in the House. Senators such as—I guess I will name him because he was proud of it—Senator Phil Gramm from Texas stood up and said: You pass this, you will bankrupt the country. No, it did not bankrupt the country. It actually led us out of the problems we were in to a budget surplus in the year 2000.

President George Bush came to town and said: You know what. We have this budget surplus. It looks as though we are going to have budget surpluses for